

## June 2006 Labor Report

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Secretary of Labor Jim Garner today announced June labor statistics that signal continued economic improvement in Kansas.

Jobs improved both month-to-month and over the year in Kansas. Kansas businesses added 4,900 jobs between May and June. Over the year, the state recorded an increase of 1,000 jobs. Goods-producing sectors were primarily responsible for the job improvements during both periods.

"Construction jobs in Kansas continue to grow, both over the month and over the year," said Garner.

The number of construction permits issued in the state continue to increase, which may reflect the increased hiring in the industry.

Manufacturing jobs improved between May and June, particularly in the transportation equipment sector. More job statistics are available in the table on page six.

The number of people in the Kansas labor force increased between May and June, following a seasonal trend typical for Kansas. The number in the civilian labor force totaled 1,499,635 in June, with 1,429,090 employed and 70,545 unemployed. The number in the labor force increased this month by 28,400. More statistics, including county unemployment rates, are available on page four.

"During the summer months, the number of people in the labor force often increases as students start looking for summer jobs," said Garner.

More labor statistics and reports are available on the [KDOL Web site](#).

For more information, contact Beth Martino at 785.296.0901.


### Kansas Economy At-A-Glance

<b>Over the Month Change</b> (May 2006 to June 2006)*		
	<b>Level</b>	<b>Change</b>
June Unemployment	4.7%	+0.6
June Jobs	1,355,700	+4,900
Industry adding most jobs: Construction	69,100	+1,900
<b>Over the Year Change</b> (June 2005 to June 2006)*		
June Unemployment	4.7%	-0.5
June Jobs	1,355,700	+1,000
Industry adding most jobs: Government	261,700	+4,800

\*Estimates are seasonally unadjusted.

### Inside This Report

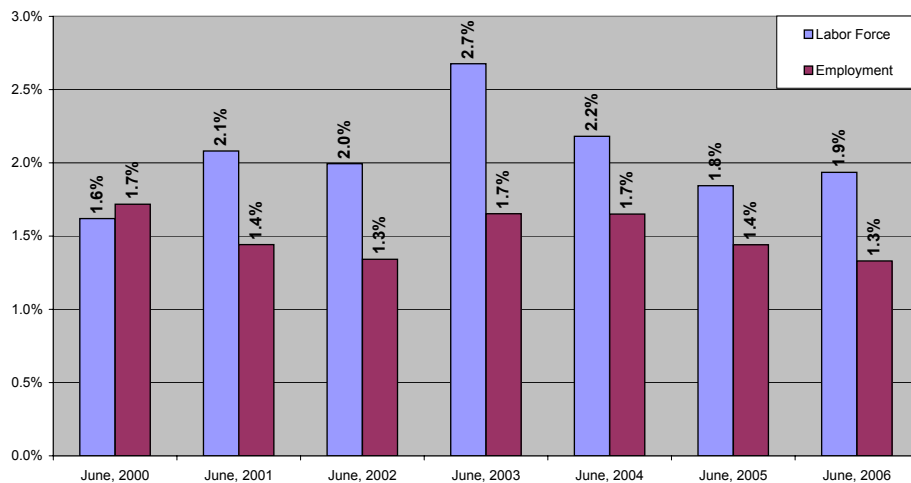
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National labor market information is available online from the [Bureau of Labor Statistics](#).

## Kansas Unemployment Rate

**Figure 1**  
Over the Month Percentage Change in Labor Force and Employment in June  
Seasonally Unadjusted  
Kansas



Source: Kansas Department of Labor

The Kansas civilian labor force includes individuals 16 years of age and older who reside in Kansas. It includes farm and nonfarm workers, self-employed and unpaid family workers who worked 15 hours or more during the reference week. To be counted in the civilian labor force, individuals must be either employed or unemployed. Employed individuals are defined as those who performed any work at all for pay or profit during the survey week and unpaid volunteers or

family workers. Individuals are listed as unemployed if they are not working, they were actively looking for employment during the four weeks preceding the survey week and they are currently available to work.

In June 2006, the Kansas seasonally unadjusted labor force increased by 1.9 percent as it added approximately 28,400 individuals in the labor force. The number of people employed increased by approximately 18,700,

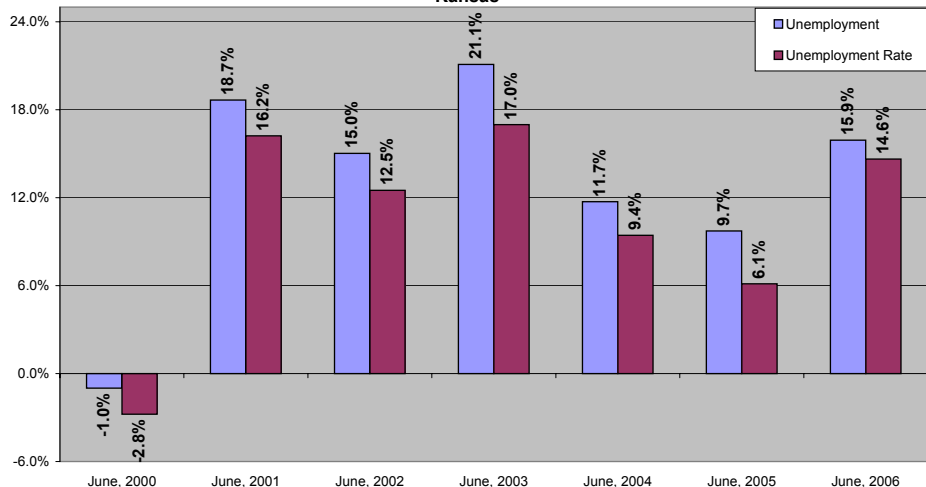
a 1.3 percent gain. The number of people unemployed increased by 15.9 percent, an increase of approximately 9,700 over the month. The unemployment rate increased from 4.1 percent to 4.7 percent. As indicated in Figures 1 and 2, this increase is a typical trend in June. The U.S. seasonally unadjusted unemployment rate in June was 4.8 percent, up from 4.4 percent in May.

Between May and June, the Kansas civilian labor force typically increases. On average, since 2000, the labor force has increased 2.0 percent between May and June. One of the major sources of the increase is students who are not enrolled in school during the summer time and are seeking summer employment. This includes students of 16 and older in secondary schools, colleges and universities across the state.

According to the Kansas Board of Education, as of September 2005 there were 34,213 students in 11th grade and 32,978 students in 12th grade in Kansas public schools. Non-public school enrollment for 11th and 12th grade students in 2004-2005 was 1,638 and 1,566 respectively. The Kansas Board of Regents reported the 2005 enrollment numbers for post-high school education to be approximately 193,000 for all state and independent colleges and universities, technical colleges and community colleges. Many of these secondary school and college and university students, who are 16 years of ages and older and residing in Kansas, make themselves available for work and are included in the labor force.

Over the year, both the labor force and employment increased, by 0.4 percent and 1.0 percent respectively. Both unemployment and the unemployment rate both decreased, by 9.9 percent and 9.6 percent respectively.

**Figure 2**  
Over the Month Percentage Change in Unemployment and Unemployment Rate in June  
Seasonally Unadjusted  
Kansas



Source: Kansas Department of Labor

## Spotlight on Kansas Unemployment Statistics

	June 2006	May 2006	June 2005
Initial Claims*	9,346	10,375	8,855
Insured Unemployment Rate	1.3%	1.3%	1.5%
Average Payment	\$276.42	\$281.96	\$267.12
Individuals Receiving Payments	17,667	18,703	21,236
Reserves (\$000)	578,230	586,792	437,860
Benefit Payments (millions)	\$16.1	\$19.1	\$21.6

Initial claims fell 9.9 percent from May to June, but were 5.5 percent higher than one year ago. The average weekly insured unemployment rate was unchanged from May 2006 and down from the average rate one year earlier.

The reserve fund balance at the end of June was \$578.2 million, up from \$437.8 million in June 2005.

\*Intrastate plus Agent (Kansas residents)

The monthly KDOL Labor Report provides information on numerous aspects of the Kansas labor market. The statistics on the unemployment insurance program provide a picture of unemployment in Kansas. This article briefly explains one aspect of the unemployment data, initial claims, included in this monthly publication. Check back next month to find out more about the insured unemployment rate.

**Initial Claims:** Initial claims represent individuals filing for unemployment benefits at the start of a new spell of unemployment. Not all unemployment claims are eligible for benefits. In addition, some claims are filed and found eligible, but no payment is made. Reasons for this include claimant failure to file weekly claims or meet certain state eligibility requirements.

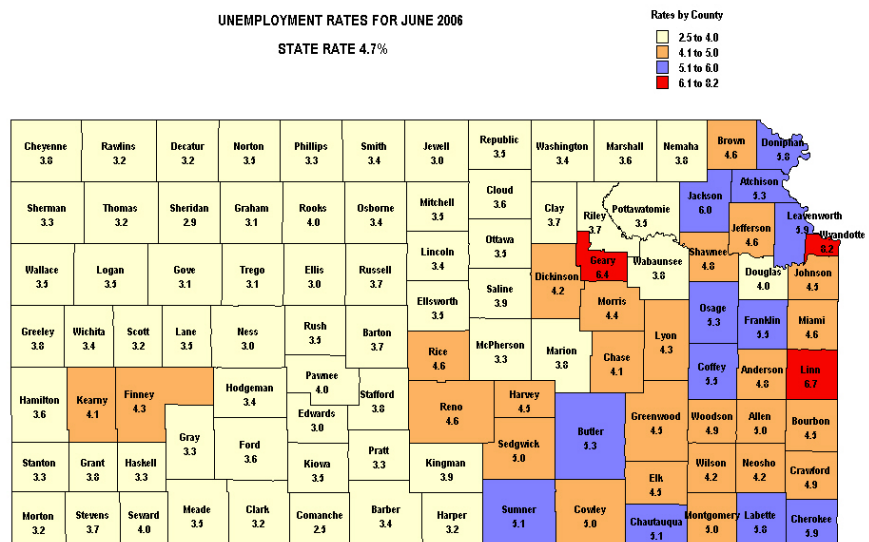
The weekly claims report is considered a forward-looking economic indicator by some. For example, first-time claims, or initial claims, may peak two to three months before the economy reaches "bottoms out" and begins to recover. Based on historic data for a particular state, one can establish a rule of thumb indicating what level of first-time claims signal an economic slow down or recovery.

There can be erratic variations in initial unemployment claims due to weather or short work weeks. As a result, it may be best to look at an average number of initial claims over a four to six week period. This may be a more accurate economic indicator. If large numbers of initial claims are reported consistently for a few weeks, it could reflect a slowing economy. Reports of an economic slump can dampen consumer spirit and spending, causing a reduction in investment. It is worth noting that consumer spending accounts for approximately two-thirds of the total Gross Domestic Product. Any factors that affect consumer sentiment and spending can potentially have a relatively large impact on the economy and the labor market.

## County Unemployment

This map depicts unemployment rates for Kansas counties in June 2006. These rates are not seasonally adjusted.

Current and historical county unemployment information is available on the [KDOL Web site](http://www.kdol.com).



## Unemployment in Kansas and MSAs

<b>Kansas</b>	<b>June 2006</b>	<b>May 2006</b>	<b>June 2005</b>
Civilian Labor Force	1,499,635	1,471,174	1,493,510
Employment	1,429,090	1,410,321	1,415,234
Unemployment	70,545	60,853	78,276
Unemployment Rate	4.7	4.1	5.2

### **Lawrence MSA**

#### **(Douglas County)**

Civilian Labor Force	63,523	62,923	62,524
Employment	60,965	60,927	59,865
Unemployment	2,558	1,996	2,659
Unemployment Rate	4.0	3.2	4.3

### **Topeka MSA**

#### **(Jackson, Jefferson, Osage, Shawnee and Wabaunsee Counties)**

Civilian Labor Force	124,642	121,957	125,189
Employment	118,609	116,776	118,319
Unemployment	6,033	5,181	6,870
Unemployment Rate	4.8	4.2	5.5

### **Wichita MSA**

#### **(Butler, Harvey, Sedgwick and Sumner Counties)**

Civilian Labor Force	308,631	305,941	309,268
Employment	293,189	292,357	292,110
Unemployment	15,442	13,584	17,158
Unemployment Rate	5.0	4.4	5.5

### **Kansas City Area**

#### **(Franklin, Johnson, Leavenworth, Linn, Miami and Wyandotte Counties)**

Civilian Labor Force	439,251	431,062	439,386
Employment	416,070	410,667	413,425
Unemployment	23,181	20,395	25,961
Unemployment Rate	5.3	4.7	5.9

*Developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.*

## Ask the Economist

*by Inayat Noormohmad, KDOL Labor Economist*

### *Where do these numbers come from?*

Last month's article covered the details of the household survey and how it is the source for data including labor force, employment and unemployment estimates. This article will explain the data which includes nonfarm employment (also referred to as jobs), which are reported for the state and the Metropolitan Statistical Areas (MSAs). These numbers are derived from the establishment survey.

### *Establishment Survey*

The establishment survey is conducted monthly as part of a collaboration between the U.S. Bureau of Labor Statistics (BLS) and state agencies like the Kansas Department of Labor. The establishment survey reports employment and hours and earnings for people on establishment payrolls who receive pay for any part of the pay period that includes the 12th of the month. The data excludes proprietors, the unincorporated self-employed, unpaid volunteer or family workers, farm workers and domestic workers. A broad range of industries, as defined by the North American Industry Classification System, are included in this survey. Establishments include private nonfarm businesses such as factories, offices and stores. People are counted at their place of work

rather than at their place of residence, so those appearing on more than one payroll are counted on each payroll.

These establishment surveys are mailed out at both the national and state level. KDOL mails out approximately 2,000 surveys and the U.S. Bureau of Labor Statistics mails approximately 2,800 surveys to various businesses in Kansas. BLS uses the Kansas surveys, along with other states and territories, to produce the national estimates of nonfarm jobs. KDOL uses the data collected by BLS, and the responses from the survey mailed out by KDOL, to produce nonfarm wage and salary estimates for the state and the four Kansas MSAs.

Although KDOL receives most survey reports before the monthly estimates are issued, a few reports are received later. KDOL first reports the preliminary data and subsequently publishes revised numbers which incorporate these late responses. In addition, every year BLS and KDOL benchmark the nonfarm employment data to better reflect changes over time.

### *The Household and Establishment Surveys: A Comparison*

There are many differences between the household and establishment

surveys. Some of these differences are listed below:

- The household survey includes agricultural workers, self-employed, unpaid family workers, and private household workers among the employed. These groups are excluded from the establishment survey.
- The household survey includes people on unpaid leave among the employed while the establishment survey does not.
- The household survey is limited to workers 16 years of age and older. The establishment survey is not limited by age.
- In the household survey individuals are counted only once, even if they hold more than one job. In the establishment survey, employees working at more than one job, and thus appearing on more than one payroll, would be counted for each appearance.

Both of these surveys produce important labor market information which may, at times, not correlate well. This is because both surveys aim to capture different aspects of the labor market. For more information on the methodologies used for the household and establishment surveys, visit [www.bls.gov](http://www.bls.gov).

## The KDOL Web site

A variety of labor market information is available on the KDOL Web site. You can find information for the entire state as well as some specific regions within the state. Visit the KDOL Web site to find:

- [Labor Market News Releases](#)
- [Current and Historical Labor Force Estimates](#)
- [Current and Historical Job Estimates](#)
- [The Kansas Wage Survey](#)
- [The Kansas Occupational Outlook](#)
- [Affirmative Action Reports](#)
- [The Kansas Job Vacancy Survey](#)

Questions or suggestions regarding the labor market information on the KDOL Web site can be emailed to [laborstats@dol.ks.gov](mailto:laborstats@dol.ks.gov)

## Nonfarm Jobs in Kansas and MSAs

				Over the Month Change		Over the Year Change		
	June 2006	May 2006	June 2005	Actual	Percentage	Actual	Percentage	
Kansas*								
All Industries	1,355.7	1,350.8	1,354.7	4.9	0.4%	1.0	0.1%	
Goods-Producing	257.2	254.1	255.8	3.1	1.2%	1.4	0.5%	
Natural Resources & Mining	7.7	7.4	7.6	0.3	4.1%	0.1	1.3%	
Construction	69.1	67.2	66.5	1.9	2.8%	2.6	3.9%	
Manufacturing	180.4	179.5	181.7	0.9	0.5%	-1.3	-0.7%	
Service-Providing	1,098.5	1,096.7	1,098.9	1.8	0.2%	-0.4	-0.0%	
Trade, Transportation & Utilities	259.7	259.1	263.3	0.6	0.2%	-3.6	-1.4%	
Information	38.3	38.4	40.1	-0.1	-0.3%	-1.8	-4.5%	
Financial Activities	71.0	70.4	71.0	0.6	0.9%	0.0	0.0%	
Professional & Business Services	134.1	132.5	134.2	1.6	1.2%	-0.1	-0.1%	
Educational & Health Services	164.4	166.1	165.3	-1.7	-1.0%	-0.9	-0.5%	
Leisure & Hospitality	115.4	113.8	115.0	1.6	1.4%	0.4	0.3%	
Other Services	53.9	53.9	53.1	0.0	0.0%	0.8	1.5%	
Government	261.7	262.5	256.9	-0.8	-0.3%	4.8	1.9%	
	June 2006	May 2006	June 2005			June 2006	May 2006	June 2005
Topeka MSA				Wichita MSA				
(Jackson, Jefferson, Osage, Shawnee and Wabaunsee Counties)				(Butler, Harvey, Sedgwick and Sumner Counties)				
All Industries	112.3	111.2	111.9	All Industries		290.3	292.4	288.5
Goods-Producing	15.2	14.6	14.9	Goods-Producing		77.4	76.7	77.3
Natural Resources & Construction	6.6	6.1	6.3	Natural Resources & Construction		17.0	16.6	16.3
Manufacturing	8.6	8.5	8.6	Manufacturing		60.4	60.1	61.0
Service-Providing	97.1	96.6	97.0	Service-Providing		212.9	215.7	211.2
Trade, Transportation & Utilities	20.0	20.0	20.2	Trade, Transportation & Utilities		49.9	49.8	49.1
Information	2.8	2.9	2.9	Information		5.8	5.8	5.9
Financial Activities	7.6	7.5	7.4	Financial Activities		11.8	11.6	11.5
Professional & Business Services	8.1	8.0	8.2	Professional & Business Services		27.6	27.2	26.7
Educational & Health Services	16.9	16.9	16.7	Educational & Health Services		40.7	40.5	39.8
Leisure & Hospitality	7.8	7.8	7.9	Leisure & Hospitality		27.2	26.8	26.6
Other Services	5.3	5.3	5.3	Other Services		12.6	12.6	12.5
Government	28.6	28.2	28.4	Government		37.3	41.4	39.1
Kansas City KS MSA				Lawrence MSA				
(Franklin, Johnson, Leavenworth, Linn, Miami and Wyandotte Counties)				(Douglas County)				
All Industries	433.1	429.9	430.7	All Industries		51.9	52.5	50.6
Goods-Producing	60.9	60.5	60.2	Goods-Producing		7.0	6.9	7.1
Natural Resources & Construction	24.0	23.9	23.7	Service-Providing		44.9	45.6	43.5
Manufacturing	36.9	36.6	36.5	Trade, Transportation & Utilities		8.3	8.3	7.9
Service-Providing	372.2	369.4	370.5	Professional & Business Services		4.2	4.2	3.9
Trade, Transportation & Utilities	92.6	92.1	95.0	Educational & Health Services		6.2	6.3	6.2
Information	22.3	22.3	22.6	Leisure & Hospitality		6.6	6.7	6.2
Financial Activities	30.5	30.3	30.5	Government		14.3	14.5	14.2
Professional & Business Services	67.7	66.3	66.0					
Educational & Health Services	48.4	48.8	48.3					
Leisure & Hospitality	37.4	37.2	37.4					
Other Services	15.7	15.4	14.9					
Government	57.6	57.0	55.8					
				*All nonfarm data are preliminary and seasonally unadjusted. Data in thousands.				

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Data in thousands.



## Kansas Nonfarm Jobs

### Over the Month Change

Over the month, seasonally unadjusted nonfarm jobs in Kansas increased by approximately 4,900, a 0.4 percent gain. Most of the increase came from the goods-producing sector, which increased by an estimated 3,100 jobs over the month.

In the goods-producing sector, construction continued to post strong gains. Kansas construction employment reported an increase of approximately 1,900 jobs over the month, a 2.8 percent increase. According to the numbers released by the U.S. Census Bureau, the number of New Privately Owned Housing Units Authorized by Permit Issuing Places increased 18.7 percent between April and May 2006, from 979 to 1,162. Nationwide, permit numbers increased 11.9 percent during the same time period. Some of the increase in the construction industry may reflect the reported increased activity in the residential housing market.

Manufacturing reported the second largest increase over the month in goods-producing industries, gaining about 900 jobs, a 0.5 percent increase. Transportation equipment, including aerospace products, contributed to the manufacturing growth. Non-durable goods manufacturing also improved by an estimated 600 jobs. Food manufacturing and plastics and rubber manufacturing were the two main contributing industries, each posting an increase of 300 jobs.

In the service-providing sector, professional and business services and leisure and hospitality industries recorded the largest gains, adding 1,600 jobs each over the month. Increased hiring in the professional, scientific and technological services was mainly responsible for the gains in the professional and business services industry. A seasonal upturn in hiring in the food services industry was largely responsible for gains in the leisure and hospitality industry.

Trade, transportation and utilities industries reported a gain of 600 over the month. A gain of 1,700 jobs in wholesale trade was offset by losses in transportation and warehousing and some retail trade industries. Since January 2006, June was the first month in which wholesale trade reported a gain, perhaps reflecting an increase in wholesale activity in the state.

Education and health care services and government reported a decrease in jobs, by 1,700 and 800 respectively. Most of this downturn may reflect slowing activities during the summer months. According to the Kansas Board of Education, there were approximately 25,200 non-certified employees in Kansas public schools in the 2005-2006 school year. This includes maintenance and operation personnel, food service personnel, office personnel and paraprofessionals. There are also approximately 40,200 certified employees working in the public school system, which include principals, teachers and teacher coordinators. Some non-certified employees work under contracts less than one year long. This is also true for some workers in higher education institutions such as colleges and universities. Some of the decline reported in the education and health care service industries and government reflect the employment status of these non-certified workers.

### Over the Year Change

Over the year, Kansas gained 1,000 seasonally unadjusted nonfarm wage and salary jobs, for a total of 1,355,700 jobs. The goods-producing sector recorded a gain of 1,400, offsetting the losses of 400 jobs in the service-providing sector.

In the goods-producing sector, construction gained the most jobs, adding approximately 2,600 jobs over the year, a 3.9 percent gain. Durable goods manufacturing industries gained 2,800 jobs, mostly due to increased activities in transportation equipment manufacturing, which gained 1,400 jobs, and fabricated metal product manufacturing, gaining 1,000 jobs. Non-durable goods manufacturing reported a loss of 4,100 jobs over the year, offsetting gains made in other goods-producing industries. In the non-durable goods manufacturing industries, food manufacturing and printing and related activities industries reported the largest declines of 1,000 and 500 jobs respectively.

In the service-providing sector, government reported the largest gain of 4,800 jobs over the year. Most of this increase came from local governments which recorded a gain of 3,100 jobs. Trade transportation and utilities recorded a decline of 3,600 jobs, with losses recorded in most of the industries including wholesale trade, retail trade, and transportation and warehousing.